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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 04/21/08

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ARTICLES:

(1) Poll on Fukuda cabinet, political parties, gas tax

ASAHI (Page 2) (Full)
April 21, 2008

Questions & Answers

(Figures shown in percentage, rounded off. Bracketed figures denote proportions to all respondents. Figures in parentheses denote the results of the last survey conducted Mar. 29-30.)

Q: Do you support the Fukuda cabinet?

Yes 25 (31)
No 60 (53)

Q: Why? (One reason only. Left column for those marking "yes" on previous question, and right for those saying "no.")

The prime minister is Mr. Fukuda 17(4) 5(3)
It's an LDP-led cabinet 29(7) 17(10)
From the aspect of policies 21(5) 69(41)
No particular reason 28(7) 7(4)

Q: Which political party do you support now?

Liberal Democratic Party (LDP) 26 (31)
Democratic Party of Japan (DPJ or Minshuto) 22 (20)
New Komeito (NK) 2 (3)
Japanese Communist Party (JCP) 2 (1)
Social Democratic Party (SDP or Shaminto) 1 (1)

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People's New Party (PNP or Kokumin Shinto) 0 (0)
New Party Nippon (NPN or Shinto Nippon) 0 (0)
Other political parties 0 (0)
None 41 (39)
No answer (N/A) + don't know (D/K) 6 (5)

Q: The gasoline tax went down from April 1. The government and ruling parties plan to take a second vote in the House of Representatives to restore the now-expired rate of provisional taxation on gasoline due to a shortfall of tax revenues. Do you support the idea of restoring the provisional gas taxation?

Yes 24
No 63

Q: In April, the government started a new national health insurance system for those aged 75 and over. Do you appreciate this new system?

Yes 18
No 71

Q: Which one do you like, Prime Minister Fukuda or DPJ President Ozawa?

Fukuda 32
Ozawa 28

Polling methodology: The survey was conducted Apr. 19-20 over the telephone on a computer-aided random digit dialing (RDD) basis. Respondents were chosen from among the nation's voting population on a three-stage random-sampling basis. Valid answers were obtained from 2,084 persons (58 PERCENT).

(2) Poll on Fukuda cabinet, political parties

NIKKEI (Page 2) (Full)
April 21, 2008

Questions & Answers

(Figures shown in percentage. Parentheses denote findings from the

last survey conducted in March.)

Q: Do you support the Fukuda cabinet?

Yes 29 (31)

No 59 (54)

Can't say (C/S) + don't know (D/K) 12 (15)

Q: Which political party do you support or like now?

Liberal Democratic Party (LDP) 38 (40)

Democratic Party of Japan (DPJ or Minshuto) 29 (30)

New Komeito (NK) 4 (3)

Japanese Communist Party (JCP) 4 (3)

Social Democratic Party (SDP or Shaminto) 2 (2)

People's New Party (PNP or Kokumin Shinto) 0 (1)

New Party Nippon (NPN or Shinto Nippon) 0 (0)

Other political parties 1 (1)

None 16 (15)

C/S+D/K 6 (5)

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Polling methodology: The survey was taken by Nikkei Research Inc. over the telephone on a random digit dialing (RDD) basis. For the survey, samples were chosen from among men and women aged 20 and over across the nation. A total of 1,541 households with one or more eligible voters were sampled, and answers were obtained from 908 persons (58.9 PERCENT).

(3) Fukuda, Lee play up new era in Japan-ROK relations in talks

YOMIURI ONLINE (Excerpts)

12:05, April 21, 2008

Prime Minister Yasuo Fukuda held a meeting with visiting South Korean President Lee Myung Bak earlier today at the Prime Minister's Office. It is the first visit to Japan by a South Korean president in three years and four months. It is also the first visit since reciprocal visits by the two countries' leaders have resumed.

To play up a new era in Japan-ROK relations, the two leaders will issue a joint press release spelling out Prime Minister Fukuda's visit to South Korea in the second half of this year, an agreement on strengthening economic ties, and a policy to cooperate in international contributions.

Prime Minister Fukuda started off his meeting with President Lee by saying: "The president chose the United States and Japan as the destinations for his first overseas trip after assuming office. We are grateful for his decision, believing that it reflects the president's priority on Japan-ROK relations." In response, Lee said, "I hope this will be an extremely productive meeting."

In the meeting, the two leaders agreed to hold a trilateral summit once a year among Japan, South Korea and China on a rotational basis, and confirmed to hold this year's summit in Japan.

Based on his earlier meeting with U.S. President George W. Bush, President Lee is likely to underline the need for Japan, the United States, and South Korea to work together. Fukuda and Lee are expected to confirm a policy course for the three countries to press North Korea for a complete and correct declaration of its nuclear programs through the six-party framework. The prime minister is also expected to explain the basic policy course that Japan will not normalize diplomatic ties with the North until after the nuclear, missile and abduction issues are resolved, and seek understanding and support for it.

The two leaders are also expected to confirm a plan to hold intergovernmental working-level talks in June for resuming talks on an economic partnership agreement (EPA), which have been stalled since November 2004.

President Lee will probably call for Japan's active efforts to granting suffrage in local elections to foreign residents. In

response, the prime minister is expected to tell the South Korean president that he will continue watching closely the future course of the ongoing Diet debate.

In addition, the two leaders are likely to agree to expand the framework of the working holiday program in which young people can stay in each other's country while working from the current 3,600 persons a year to 7,200 persons in 2009 and then to 10,000 by 2012, as well to promote exchanges of students and intellectuals.

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(4) South Korean president meets with Prime Minister Fukuda;
Agreement reached to resume EPA talks

Asahi.com (Excerpts)
11:35, April 21, 2008

Prime Minister Fukuda met this morning with visiting South Korean President Lee Myung Bak at the Prime Minister's Office (Kantei). The two leaders agreed to hold working-level talks in June with the aim of resuming bilateral Economic Partnership Agreement (EPA) talks, which have been suspended for more than three years since November 2004. They confirmed the arrival of the new age for Japan and South Korea. Regarding North Korea's nuclear issue, they also shared the perception that it is essential for North Korea to declare its nuclear programs in a complete and correct manner. They also reached a decision for Japan and South Korea, and for Japan, the U.S., and South Korea to closely cooperate with each other.

This is the first visit of a South Korean president to Japan since former President Roh Moo Hyun visited Japan in December 2004. Lee's visit to Japan marks the resumption of shuttle diplomacy for the two countries' leaders to pay mutual visits. Lee and Fukuda agreed that Fukuda will visit South Korea later this year.

The two leaders shared the perception that a bilateral Economic Partnership Agreement will lead to strengthened economies of their countries. They indicated their expectations for expanded mutual investment. Lee revealed his intention to consider establishing in South Korea an industrial complex manufacturing parts and materials for an expansion of investment by Japanese companies. They also agreed to hold talks taken part by both countries' respective policy-implementing agencies for small and medium-sized businesses and private organizations, sharing know-how on small and medium-sized business policy.

Regarding North Korea, the prime minister explained his policy of normalizing diplomatic relations at an early date, based on a package settlement of the abduction, nuclear and missile issues. The president expressed his understanding and support, saying, "I would like to cooperate for a settlement of the abduction issue as much as I can." The two leaders also agreed to create a framework for broad-based dialogue for Japan, the U.S. and South Korea to discuss international issues.

Fukuda and Lee also confirmed that Lee will attend a meeting of leaders from various countries other than the G-8 nations at the July Lake Toya Summit. The two also agreed to strengthen cooperation on the environmental and energy issues in Asia and throughout the world. They will search for ways to jointly extend assistance to Africa as well as to strengthen assistance to developing countries.

Fukuda and Lee also agreed to step up the maximum number of participants in the working holiday system to 7,200 in 2009, double the present number, and 10,000 in 2012. Following the agreement reached during the February summit to map out a concrete program for personnel exchanges, they agreed to set up an Exchange Project for Japanese and South Korean University Students aimed at helping 1,500 students over three years, and a Japan-South Korea Joint Research Project in the New Age, under which experts from both countries jointly conduct studies in such areas as international politics and the economy. The prime minister underscored the need to hold a

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Japan-China-South Korea summit. He proposed holding one in Japan within the year. South Korea agreed to this proposal.

According to an explanation provided by the Japanese government, the ownership of the Takeshima (Dokdo) islets and the demarcation of the exclusive economic zone (EEZ) issue were not on the agenda.

(5) Editorial: Court rules SDF dispatch to Iraq unconstitutional

ASAHI (Page 3) (Full)
April 18, 2008

Is there a noncombat zone in Iraq? Self-Defense Force (SDF) personnel are transporting armed U.S. soldiers to Baghdad. How can it be possible to say that it is not an act integral to the use of force by other countries?

The court yesterday gave a reply to such a simple question regarding the dispatch of the Air Self Defense Force (ASDF) to Iraq, which is still in a state of conflict. It handed down a negative decision on both issues.

It has been four years since the dispatch of the SDF to that country started. We believe that those who have long been skeptical about the legitimacy of the SDF mission agree with the outcome.

In the lawsuit seeking the suspension of the dispatch filed by more than 3,000 people, the Nagoya High Court handed down that ruling.

The plaintiff's demand for the suspension of the SDF dispatch was rejected. In that sense, the plaintiffs lost the case, following a lower court decision. However, the ruling, referring to the relationship between the SDF dispatch and the Constitution, clearly rejected the basis of the argument that the Koizumi administration adopted in deciding to dispatch SDF troops and the Abe and Fukuda administrations have followed.

The ruling pointed out that Iraq is in a state of messy war, going beyond the sphere of a simple security issue. In particular, it said that the situation in Baghdad, where ASDF troops are operating, is so appalling that it can be called a war zone as defined under the special law to allow the SDF to provide humanitarian support for Iraq's reconstruction efforts.

The Koizumi administration maintained that as there are noncombat zones in Iraq, it would be no problem to send SDF troops to such areas. According to this argument, Samawah in southern Iraq and airports in the capital city are noncombat zones.

The ruling rejected that notion and clearly noted that airlifting operations run counter to the special law. The Defense Ministry has admitted that though ASDF transport planes had not encountered attacks, there were many occasions in which they took action to avert danger. Some U.S. military planes have been actually hit. The perception of the ruling is convincing.

Another point included in the ruling is that it cannot be helped if it is viewed that SDF troops have used force, since airlifting armed troops from multinational forces is an act integral to the use of force by other countries, in other words, an act in violation of Article 9 of the Constitution.

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SDF troops have been dispatched based on unreasonable interpretations of the Constitution. Asked in the Diet about the definition of noncombat zones, then Prime Minister Koizumi repeatedly gave a defiant reply, saying, "Areas where SDF personnel operate are noncombat zones."

After the ruling was handed down, Chief Cabinet Secretary Machimura announced the government policy of continuing the SDF dispatch, probably because it was not a final judgment reached by the Supreme Court. Even so, the judgment reached by the high court is heavy. Both the ruling and opposition camps should launch serious

discussion with an eye on the withdrawal of SDF troops from Iraq.

Japan's courts have a strong tendency to avoid making decisions regarding the Constitution. They are criticized as following the government. For that reason alone, the ruling must have come as a refreshing surprise to many.

It is the duty of courts to keep tabs on the government and the Diet. The Nagoya High Court's ruling reached in an effort to fulfill that role has surprised the public. The Supreme Court, which is supposed to be the watchdog of the Constitution, must take to heart this reality.

(6) In training, U.S. military police officers were taught to take U.S. military suspects to U.S. bases ahead of (Japanese authorities); Systematic SOFA violation suspected

OKINAWA TIMES (Page 1) (Full)
April 19, 2008

Two sons of U.S. Marines, who had been caught by a salesclerk for allegedly shoplifting in Chatan, were taken to a U.S. base by U.S. military police officers. In their training, U.S. Marine police officers are instructed on a daily basis to take U.S. suspects into custody ahead of prefectural police officers and take them to U.S. bases. This was revealed by several sources connected with the U.S. Marines in interviews by the Okinawa Times on April 18.

The Japan-U.S. Status of Forces Agreement (SOFA) stipulates that outside U.S. military facilities, U.S. military police shall make arrests in liaison with Japanese authorities and in so far as such is necessary to maintain discipline and order among the members of the United States armed forces. U.S. Marine police might have given guidance to its members to ignore the SOFA from the stage of training.

According to several sources concerned, upon arrival at post, every new U.S. Marine police officer is required to take a two-week course to learn Japanese laws and other matters from instructors.

SOFA training is governed by the U.S. Marine command legal department. In such training, a U.S. military counsel instructs personnel to take an accused U.S. service member to a U.S. base even if that person was arrested in liaison with prefectural police officers.

The training of new members is conducted about twice a year. Similar guidance is believed to have been conducted at least until two years ago. After completing training, U.S. Marine police officers are dispatched to U.S. police headquarters in Camp Foster or branches on bases in the northern part of the prefecture.

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A person concerned said: "The U.S. military regards its service members as property of the military. They want to take U.S. suspects into custody before Japan arrests them and claim the custody of U.S. property." Pointing out a case in which Japanese guards carried firearms in civilian areas, he also said: "Many U.S. military police officers do not know the SOFA in detail. This incident in which U.S. military police officers took U.S. military family members to a U.S. base occurred possibly because some supervisors interpreted (the SOFA) to serve the interests (of the U.S. military)."

(7) Japanese tea tastes bitter for students at U.S. Navy Academy

SANKEI (Page 3) (Full)
April 20, 2008

(Hidenari Yamamoto, Annapolis)

Genshitsu Sen, 85, former grand master of the Urasenke Chado (tea ceremony), visited the U.S. Naval Academy in Annapolis to talk about the tradition of Japanese tea before students there. The visit followed a decision made that a visit to Urasenke Konnichian (in Kyoto) will be incorporated in the school's training program in

Japan starting this May. In the school, students are trained to become senior members of the U.S. Navy and the Marine Corps. About 200 persons in the school experienced the tradition of tea.

Sen interpreted the art of the tea ceremony as "intended to learn how to keep up our mental stability." A student who served tea commented: "Through the tea ceremony, I learned that the host and the guests respect each other." But many students said the tea they had for the first time tasted bitter.

(8) FTC searches 13 cargo firms on suspicion of price-fixing cartel

NIKKEI (Page 1) (Full)
Evening, April 16, 2008

The Fair Trade Commission (FTC) searched the offices of 13 cargo firms today on suspicion of violating the Antimonopoly Law for forming a cartel on air cargo charges for outbound flights from Japan. The 13 firms include three major freight forwarding firms: Nippon Express Co., Kintetsu World Express Inc., and Yusen Air & Sea Service Co. The investigation also included the Tokyo office of the Japan Aircargo Forwarders Association (JAFA) (based in Chuo-Ward, Tokyo).

Officials searched about 20 main and branch offices of the 13 firms, including Nishi-Nippon Railroad Co.

According to informed sources, since 2004 the 13 firms are suspected of agreeing to add the increase in air carriers' fixed fuel surcharges to their fees and to pass this on to their clients. They also allegedly agreed to introduce unified charges for safety inspections.

The 13 firms reportedly formed the cartel at meetings of the International Department of JAFA, to which they all belong

The firms in question are air freight forwarders, and their combined share of the domestic market is about 75 PERCENT. The domestic market for international air cargo services, including international

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parcel delivery service, is worth approximately 630 billion yen. The European Commission similarly raided major European cargo firms last October over international air cargo.

The three major firms have said that they will fully cooperate with the FTC investigation.

(9) FTC raids 13 companies over air cargo cartel

ASAHI (Page 13) (Full)
Evening, April 16, 2008

The Fair Trade Commission (FTC) on April 16 raided 13 distribution companies, including three leading companies -- Nippon Express Co., Kintetsu World Express Inc. and Yusen Air & Sea Service Co., an affiliate of Nippon Yusen K.K., all located in Tokyo -- on suspicion of forming a price cartel over freight for international air cargo dispatched from Japan in violation of the Antimonopoly Law (AML).

Other distribution companies that were raided include Nishi-Nippon Railroad Co. (Fukuoka), Hankyu Express International Co. (Osaka), Nissin Corporation (Kanagawa), and their industry body Japan Aircargo Forwarders Association (JAFA). About 20 of their head offices and branch offices were raided.

The international air cargo market in Japan, including international package-delivery service, is estimated at approximately 640 billion yen. The top three companies' share is reportedly about 50 PERCENT

International cargo transportation for imports and exports is approximately 1.6 million tons a year each, accounting for approximately 30 PERCENT of total trade. Main items of international air cargo are machinery components.

At issue is the business activity of distribution companies consigned with small cargo shipments, such as electronic equipment, by a number of customers, such as automakers and leading electronic appliance manufacturers, and consigning them to air carriers after repacking the cargo into containers for each consignee. These companies are called freight forwarders.

Forwarders buy cargo space in an airplane from an air carrier and take containers aboard the plane. The freight includes an additional fuel surcharge set by air carriers to cover a rise in crude oil prices. Forwarders pay the combined amount to air carriers.

According to an informed source, distribution companies are suspected of having reached an agreement in 2004 to pass on to consignors the rise in fuel surcharges when they negotiate with customers on prices and to classify that charge as an "additional fuel surcharge."

In Japan, both international air cargo freight and fuel surcharges set by air carriers are exempt from the AML. However, the FTC believes that distribution companies passed part of the fuel surcharges onto consignors in a lockstep manner, taking advantage of this exemption.

The U.S. Justice Department and the European Commission (EC) are investigating the case, suspecting that leading international freight forwarders formed a price cartel over cargo freight and fuel

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surcharges imposed on cargo transportation.

The three leading companies said that they would cooperate with the FTC in their investigation into the matter.

(10) Aim to counter competitive Western firms likely behind price-fixing cartel by 13 air cargo firms

NIKKEI (Page 21) (Full)
Evening April 16, 2008

The Fair Trade Commission (FTC) raided Nippon Express Co., Kintetsu World Express Inc., and Yusen Air & Sea Service Co. on suspicion of violating the Antimonopoly Law. These three major freighters just established a new air cargo company on April 1 with All Nippon Airways Co. (ANA) and another firm.

Leading Western companies, such as DHL Japan, are competitive in the domestic business of outbound small-lot freight forwarding from Japan. With the aim of countering such Western forwarders, the new firm was established. The (13) companies (raided by the FTC today) apparently aimed to set the same level of fares for their cargo services in order also to compete with foreign cargo companies.

According to informed sources, responsible members from the 13 firms discussed the margin of a fare hike and the timing for the hike in meetings of the International Department of the Japan Aircargo Forwarders Association.

In Europe, the European Commission also investigated major international freight forwarding firms last October. As it stands, watchdogs across the world are keeping a close tab on a price-fixing cartel on international air cargo.

SCHIEFFER